



LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

AGENDA - Lodi Public Improvement Corp.

Date: December 19, 2001

Time: 7:00 p.m.

For information regarding this Agenda please contact:

Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

MEETING OF THE
Public Improvement Corporation (PIC)
of the City of Lodi

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- Res. D. Approve City of Lodi Electric System Revenue Variable Rate Demand
Certificates of Participation, 2002 Series A and Electric System Revenue
Variable Rate Demand Certificates of Participation, 2002 Taxable Series B
(combined issue size \$57,300,000) (CM)
- E. Other business
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

A handwritten signature in black ink, appearing to read "Susan J. Blackston", written over a horizontal line.

Susan J. Blackston
Secretary
Lodi Public Improvement Corporation

CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Meeting Of The Lodi Public Improvement Corporation (LPIC) For The Purpose Of Electing New Officers

MEETING DATE: December 19, 2001

PREPARED BY: Secretary, Lodi Public Improvement Corporation

RECOMMENDED ACTION: That the Lodi Public Improvement Corporation (LPIC) conduct a meeting for the purpose of electing new officers to the Corporation and adopt resolution certifying same.

BACKGROUND INFORMATION: Inasmuch as the City Council has reorganized, it is necessary to appoint new officers to the Corporation.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for year 2002.

FUNDING: None.



Susan J. Blackston
Secretary
Lodi Public Improvement Corporation

SJB/JMP

APPROVED: _____
H. Dixon Flynn -- City Manager

RESOLUTION NO. LPIC2001-01

A RESOLUTION ELECTING OFFICERS OF THE
LODI PUBLIC IMPROVEMENT CORPORATION

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WHEREAS, under the organizational procedures of the Lodi Public Improvement Corporation, an annual meeting of Directors shall be held and officers elected.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Lodi Public Improvement Corporation that the following persons are elected to the offices set forth opposite their names below as officers of the Corporation, to serve until the election and qualification of their successors as provided in Article III, Section 2, of the bylaws of the Corporation:

<u>Name</u>	<u>Title</u>
Phillip A. Pennino	President
Susan Hitchcock	Vice President
Vicky McAthie	Treasurer
Susan J. Blackston	Secretary

Dated: December 19, 2001

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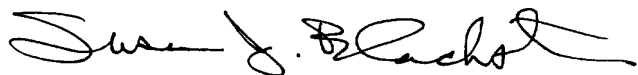
I hereby certify that Resolution No. LPIC2001-01 was passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation in a regular meeting held December 19, 2001, by the following vote:

AYES: DIRECTORS – Hitchcock, Howard, Land, Nakanishi,
and President Pennino

NOES: DIRECTORS – None

ABSENT: DIRECTORS – None

ABSTAIN: DIRECTORS – None



SUSAN J. BLACKSTON
Secretary

LPIC2001-01



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve City of Lodi Electric System Revenue Variable Rate Demand Certificates of Participation, 2002 Series A and Electric System Revenue Certificates of Participation, 2002 Taxable Series B.

MEETING DATE: December 19, 2001

PREPARED BY: City Manager, Electric Utility Director and Finance Director

RECOMMENDED ACTION: That the Lodi Public Improvement Corporation approve the attached resolution relating to the City of Lodi Electric System Revenue Variable Rate Demand Certificates of Participation, 2002 Series A and Electric System Revenue Certificates of Participation, 2002 Taxable Series B.

BACKGROUND INFORMATION: As previously discussed with the Council, the current low interest rate environment, gives the City an opportunity to issue new Electric Revenue Certificates of Participation (COPs) to legally defease the approximately \$43,900,000 1999 COP's to their call date and generate debt service savings. At current rates, the present value savings from an optimally structured refunding issue would be in excess of \$5 million. In addition, the Electric Utility currently believes that approximately \$6 million in the existing construction fund is no longer needed for its original purpose, and could be contributed to the refunding escrow. This contribution would reduce the size of the refunding issue (to approximately \$47,100,000), but would not affect the savings. Annual debt service after 2010 would be reduced by approximately \$1,160,000.


In addition, the Electric Utility proposes to issue approximately \$10,200,000 of taxable Electric Revenue COPs to raise working capital. This will provide additional flexibility to meet cashflow needs stemming from the unusual power market conditions of the past 12 months. Debt service on this taxable issue would be a level annual amount of approximately \$1,600,000, with a final maturity in eight years. The proceeds from this issue are not intended to be used for budgeted O&M costs. Budgeted costs are projected to be recovered through existing rates.

The combined issue size would be \$57,300,000. The COPs would be secured by net revenues from the Electric Utility.

The attached resolution concerns approval, execution and delivery of COP documents listed below:

1. Installment Purchase Contract
2. Trust Agreement; and
3. Certificate Purchase Contract

APPROVED: _____


H. Dixon Flynn – City Manager

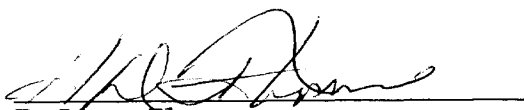


CITY OF LODI

COUNCIL COMMUNICATION

The above documents are substantially in final form. Upon COP pricing, dollar amounts and dates will be updated and presented for execution.

FUNDING: None required at this time.


H. Dixon Flynn
City Manager

APPROVED: _____
H. Dixon Flynn – City Manager

RESOLUTION NO. LPIC2001-02

A RESOLUTION OF THE LODI PUBLIC IMPROVEMENT CORPORATION
RELATING TO ELECTRIC SYSTEM REVENUE VARIABLE RATE DEMAND
CERTIFICATES OF PARTICIPATION, 2002 SERIES A AND ELECTRIC SYSTEM
REVENUE CERTIFICATES OF PARTICIPATION, 2002 TAXABLE SERIES B;
APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND
DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT AND A TRUST
AGREEMENT IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN
OTHER MATTERS RELATED THERETO

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WHEREAS, the City of Lodi, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), owns and operates a municipal electric system (the "Electric System"), to provide the City and its inhabitants with electricity; and

WHEREAS, the City and the Lodi Public Improvement Corporation, a non-profit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), propose to execute and enter into an Installment Purchase Contract (the "Installment Purchase Contract"), whereby the Corporation will acquire from the City certain existing improvements as more fully described in Exhibit 1 to the Installment Purchase Contract (the "Existing Facilities"), and whereby the Corporation will sell such Existing Facilities back to the City as provided in the Installment Purchase Contract; and

WHEREAS, pursuant to the Installment Purchase Contract, the City will be obligated to make installment payments to the Corporation for the purchase of the Existing Facilities; and

WHEREAS, the Corporation proposes to enter into a Trust Agreement (the "Trust Agreement") providing for the execution and delivery of Electric System Revenue Variable Rate Demand Certificates of Participation, 2002 Series A and Electric System Revenue Certificates of Participation, 2002 Taxable Series B (collectively, the "Certificates"), evidencing the proportionate ownership interests of the owners thereof in the installment payments to be made by the City pursuant to the Installment Purchase Contract; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions, for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS THE LODI PUBLIC IMPROVEMENT CORPORATION, AS FOLLOWS:

Section 1. The Board of Directors of the Corporation hereby specifically finds and determines it is desirable and furthers the Corporation's public purpose to assist the City in the refinancing of the improvements to the Existing Facilities as provided in the Installment Purchase Contract through the actions authorized hereby and that the statements, findings and determinations of the Corporation set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. The Installment Purchase Contract, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance by the Corporation of its obligations thereunder, are hereby approved, and the President and the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the City the Installment Purchase Contract in substantially said form, with such changes therein as such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Trust Agreement, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance of by the Corporation of its obligations thereunder, are hereby approved, and the President or the Treasurer of the Corporation, each acting singly, are hereby authorized to appoint a bank or trust company to serve as the Trustee under the Trust Agreement, provided that such Trustee shall meet the qualifications of a successor Trustee set forth in the Trust Agreement; and the President or the Treasurer of the Corporation, each acting singly, are hereby further authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the Trustee the Trust Agreement in substantially said form, with such changes therein as the such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided, that the aggregate principal amount of the Certificates to be executed and delivered thereunder shall not exceed \$60,000,000, and the final principal payment date of the Certificates shall be not later than 35 years from their date of delivery.

Section 4. The Secretary of the Corporation is hereby authorized and directed to attest the signatures of the President and the Treasurer of the Corporation, as may be required or appropriate, in connection with the execution and delivery of the Installment Purchase Contract and the Trust Agreement.

Section 5. The officers of the Corporation are hereby authorized and directed, jointly and severally, to do any and all things (including the negotiating and obtaining of a municipal bond insurance policy or reserve fund surety bond with respect to the Certificates if the City Manager or Finance Director of the City determine that such insurance policy or surety bond will result in savings to the City) and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the transactions authorized hereby and to consummate the sale, execution and delivery of the Certificates and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Installment Purchase Contract the Trust Agreement and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. This Resolution shall take effect immediately upon its passage.

Dated: December 19, 2001

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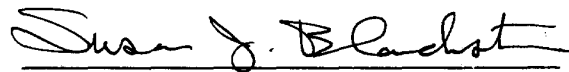
I hereby certify that the foregoing is a full, true and correct copy of Resolution No. LPIC2001-02 duly passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation at a meeting thereof duly held on the 19th day of December, 2001, by the following vote of the Directors thereof:

AYES: DIRECTORS - Hitchcock, Howard, Land, Nakanishi,
and President Pennino

NOES: DIRECTORS - None

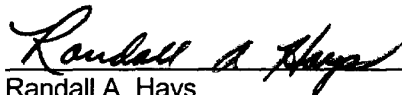
ABSENT: DIRECTORS - None

ABSTAIN: DIRECTORS - None



SUSAN J. BLACKSTON
Secretary for the Corporation

Approved As to Form:



Randall A. Hays
Attorney for the Corporation

LPIC2001-02